

2007 FIRST DISTRICT TAX ASSISTANCE SERVICES

Provided by the
First Coast Guard District Legal Office
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Free electronic filing (E-File) and direct deposit of refunds: The First District Legal Office is again offering free electronic tax filing by appointment only beginning February 11th thru April 15th. Appointments will be available Monday through Friday 8:00-16:30. This service is free and open to all active-duty service members, reservists, military retirees, military family members, and Coast Guard civilian employees. Appointments can be scheduled by calling the First District Legal Office at 617-223-8500.

Electronic filing is not to be confused with the "refund" program offered by commercial tax services where the taxpayer gets a so called "refund" the "same day" or a couple of days after having the tax return prepared and electronically filed with the IRS. These same-day refunds are not refunds at all but are, in fact, loans. These loans often have interest rates of nearly 300% per annum. It rarely makes sense for a taxpayer to pay a high interest rate to get an immediate refund when the First District Legal Office has free electronic filing service, and the tax refund can be received in as little as 7 days.

Preparation of your Federal income tax return and free e-filing is available from the Internal Revenues Free File Tax Program. Most taxpayers with an adjusted gross income (AGI) of \$54,000 or less will be able to use the Free File program immediately. However, because of recent Alternative Minimum Tax (AMT) legislation, as many as 13.5 million taxpayers will need to wait until February 11th before they file their return. The affected taxpayers are people who use one of five forms. Returns that include the following forms should not be filed until February 11, 2008:

- Form 8863, Education Credits.
- Form 5695, Residential Energy Credits.
- Schedule 2, Form 1040A, Child and Dependent Care Expenses for Form 1040A Filers.
- Form 8396, Mortgage Interest Credit.
- Form 8859, District of Columbia First-Time Homebuyer Credit.

If returns with these forms are e-filed before February 11th, they will not be accepted. The February date allows the IRS enough time to update and test its systems to accommodate the changes without major disruptions to other operations related to the tax season.

Direct Deposit of Refunds: Whether you are filing electronically or on paper, direct deposit gives you access to your refund at least one week faster than a paper check. Nearly three out of five taxpayers chose direct deposit for their refunds last year. Direct deposit also avoids the possibility that your check could be lost or stolen or returned to the IRS as undeliverable.

Taxpayers who would like to take advantage of direct deposit should bring a voided check to verify their account number and their banks routing number (RTN).

To use the electronic filing service: There are two ways to take advantage of free electronic filing. If you do your own taxes, are due to receive a refund and would like to take advantage of electronic filing you can schedule an appointment to e-file by calling the First District Legal Office. On the day of your appointment you should bring your completed tax return, and all 1099, 1098, and W-2 forms to our office.

For those who do not enjoy taxes, the First District Legal Office Paralegal and other VITA volunteers can assist you in filling out tax returns before electronic filing. The First District Legal Office Paralegal will assist with preparation of 1040EZ, 1040A, and 1040 federal income tax returns by appointment only. These services are most in demand between February 12th - February 21st and March 21st - April 16th and you are encouraged to call early to guarantee availability of this service.

If filing a joint tax return, both spouses must be present or one spouse must have a special power of attorney from the other spouse to file electronically. Special powers of attorney (IRS Form-2484) from one spouse to the other for purposes of electronic tax filing are available from the First District Legal Office or by clicking the following IRS link <http://www.irs.gov/pub/irs-pdf/f2848.pdf>.

Any Coast Guard active-duty member, reservist, dependent, or civilian employee, who has questions or problems completing a 2007 income tax return should contact their local Volunteer Income Tax Assistance (VITA) volunteer, who is IRS-trained to prepare income tax forms. The VITA volunteers have charts showing which forms to file and they can assist with preparation of the 1040EZ form and 1040A form. Some VITA volunteers may have more experience and can provide assistance with the 1040 form.

Questions, Forms, Websites: Taxpayers can call the IRS for answers to federal income tax questions or to order federal income tax forms. The IRS telephone number is (800) 829-1040. Federal income tax forms, publications, and instruction booklets are also available through the IRS website at www.irs.gov. Most states also maintain an Internet website where the taxpayer can obtain state income tax forms and publications. Taxpayers can access both the IRS website and all state tax websites from either the First District Legal Office intranet site at ww.cgweb.d1.uscg.mil/dl/tax/taxlinks.html or the Coast Guard Legal Assistance Program internet website www.uscg.mil/legal/la/topics/tax/taxlinks.html. Federal and state tax forms may also be available at your local library or post office.